

Emergency Bill No. 14-01  
Concerning: Recordation Tax - Rates  
and Exemption  
Revised: 3-29-01 Draft No. 2  
Introduced: April 3, 2001  
Expires: October 3, 2002  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: July 1, 2001  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmember Subin

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### AN EMERGENCY ACT to:

- (1) increase the rate of the recordation tax;
- (2) exempt a certain amount of the consideration for an owner-occupied residential property from the recordation tax;
- (3) confirm certain actions previously taken regarding the recordation tax;
- (4) declare the intent of the Council regarding the use of certain revenue from the recordation tax; and
- (5) generally amend County law affecting the recordation tax.

By adding  
Montgomery County Code  
Chapter 52, Taxation  
Section 52-16B

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

**Sec. 1. Section 52-16B is added as follows:**

**52-16B. [Reserved] Recordation Tax**

(a) Rate. The rate of the recordation tax, levied under state law, is \$3.30 for each \$500 or fraction of \$500 of consideration payable or of the principal amount of the debt secured for an instrument of writing, including the amount of any mortgage or deed of trust assumed by a grantee.

(b) Exemption. The first \$40,000 of the consideration payable on the conveyance of any owner-occupied residential property is exempt from the recordation tax if the buyer of that property intends to use the property as the buyer's principal residence by actually occupying the residence for at least 7 months of the 12-month period immediately after the property is conveyed.

**Sec. 2. Emergency Effective Date.**

The Council declares that an emergency exists and that this legislation is necessary for the immediate protection of the public health and safety. This Act takes effect on July 1, 2001, and applies to any instrument recorded with the Clerk of the Circuit Court on or after that date.

**Sec. 3. Effect of Previous Actions.**

This Act supersedes Resolution No. 7-182, effective July 1, 2001. Any action taken under that resolution before that date, including the levy and collection of the recordation tax, is ratified and confirmed as if that action had been taken under authority of a law enacted by the County Council.

**Sec. 4. Allocation of Revenue.**

The Council intends to allocate the revenue attributable to the increase in the rate of the recordation tax enacted in this Act in the following manner:

(a) 33 1/3% to the cost of constructing new schools and  
additions to existing schools;

(b) 33 1/3% to the cost of traffic congestion relief; and

(c) 33 1/3% to the Housing Initiative fund established under  
County Code §25B-9.

*Approved:*

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Blair G. Ewing, President, County Council

Date

*Approved:*

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Douglas M. Duncan, County Executive

Date

*This is a correct copy of Council action.*

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Mary A. Edgar, CMC, Clerk of the Council

Date